

January 19, 1984

LB 260

PRESIDENT: Senator Higgins, do you wish to speak again?

SENATOR HIGGINS: Yes, Mr. President, I would like to ask Senator DeCamp another question. Senator, I presume you are yielding. After listening to Senator Goll, what you are saying then is if the buyer is willing to negotiate with the seller on an interest rate, if he is willing to pay 25, 30, 35, whatever percent, then the deal is closed, and if he isn't willing to, he probably wouldn't be loaned the money. If you were out in the middle of the ocean and you didn't have a life raft or a life preserver and I came along in my little speedboat, I says, "John, what will you give me if I throw you a life preserver? Will you give me \$25 or will you give me \$30, will you give me \$100?" How long do you think you would negotiate with me inasmuch as you need the life preserver to save your life?

SENATOR DECAMP: The answer is you are talking about one life preserver, I am talking about the financial institutions. If somebody says they are going to loan at 30 and somebody else is willing to loan at 17 or 12 or 15, obviously, you are going to get it at the lower one. If your counter to that is, yeah, but the 17 percent or the 15 percent won't loan it because it is too high a risk, that answers the question itself. You shouldn't be making...theoretically you shouldn't be making loans if the market is at 15 and you are charging 30 something is fishy. You shouldn't be borrowing from them or something like that.

SENATOR HIGGINS: Thank you, Senator.

PRESIDENT: The Chair recognizes Senator...

SENATOR HIGGINS: I would like to make just a couple of comments, Mr. President.

PRESIDENT: I am sorry, Senator.

SENATOR HIGGINS: Having been in the position myself many times of borrowing money, I can tell you that when I was less successful I paid a much higher rate and I, too, went to finance companies, small loan companies, and paid those high rates, and as my business progressed and I became more